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C O N F I D E N T I A L SECTION 01 OF 02 BRATISLAVA 000506

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NSC FOR DAMON WILSON

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TAGS: <u>PGOV PREL PINR KDEM SOCI LO</u>

SUBJECT: SLOVAK PM UPBEAT ABOUT COALITION CHANCES; KDH

HOLDS ALL THE CARDS

REF: A. BRATISLAVA 499

¶B. BRATISLAVA 495

1C. BRATISLAVA 494
1D. BRATISLAVA 491

Classified By: DCM Lawrence R. Silverman for Reasons 1.4 (B) and (D).

¶1. (C) SUMMARY: Slovakia's Smer party continues to publicly explore all possible coalition options, though several parties have issued statements that create problems for Smer chairman Robert Fico. Meanwhile, Prime Minister Mikulas Dzurinda and his SDKU party remain hopeful he will be able to form a broad "three plus one" coalition of SDKU-SMK-KDH-HZDS, despite HZDS' refusal to remove former PM Vladimir Meciar from his leadership position and KDH's refusal to work with his party. Fico is still uncertain. The "easy" path to the PM's office — a Smer-SNS-HZDS coalition — is seen by many in Slovakia, Brussels, and even Smer itself, as the path to the dark side, a path even SNS doubts he will take. END SUMMARY.

DZURINDA FEELS STRONG, WILL NOT WORK WITH SMER

- 12. (C) SDKU insiders tell us that despite the flurry of speculation about possible Smer coalition governments, Prime Minister Dzurinda feels confident he can succeed in creating a "three plus one" coalition of SDKU-SMK-KDH-HZDS. SDKU International Secretary Lucia Klapacova told us June 21 that her boss emerged from his meeting with Bela Bugar "all smiles." Dzurinda advisor Milan Jezovica told the Ambassador later that day that Bugar and SMK solidly support Dzurinda's efforts. Klapacova said that part of Dzurinda's confidence comes from his resolve that SDKU will emerge stronger than ever before; either the PM will build a coalition, or SDKU will go into opposition and grow stronger while waiting for the Smer-led coalition to collapse. Jezovica, Klapacova, and Dzurinda advisor Tatiana Rosova all delivered the message that despite Smer's public comments, SDKU will not likely work with Fico. "It is the weakest option for us" said Klapacova; Rosova said that it could "damage the SDKU image" to be the junior partner in such a coalition. (COMMENT: Smer contacts tell us virtually the same thing. END COMMENT.)
- 13. (C) Jezovica said that Dzurinda's "perfunctory" June 21 meeting with Fico was also telling: despite Fico's record take at the polls, Dzurinda emerged surprised by how "non-self-assured" the Smer chairman seemed. Klapacova told us that earlier in the day, Dzurinda spoke to regional party bosses at SDKU headquarters. He thanked them for their hard work on the campaign trail, and said now it was his turn to work hard for them. Klapacova said that Dzurinda is in his element. While he doesn't relish the "problem" of forming a coalition, "he likes that he gets to solve it."

14. (C) Immediately after finding out the election results on June 18, Dzurinda phoned German Chancellor Angela Merkel to brief her on the outcome and inform her that SDKU was thinking about coalescing with HZDS. According to Jezovica, there was a "long pause, a very long pause, and then Merkel said 'I think you should do it.'"

SDKU ON WHY HZDS NEEDS THEM

- 15. (C) Jezovica (echoing sentiments told to us earlier in the week by HZDS vice chairman Milan Urbani) told us HZDS is more interested in creating a coalition with SDKU than Smer, for several reasons:
- If HZDS aligns with Smer, SDKU will spend the next four years on the attack, dredging up all of the sins of Meciar's past. An alliance with SDKU would offer Meciar some protection.
- HZDS is supportive of SDKU's program points. In the past few years, Meciar has kept his word when he has dealt with the coalition on particular issues.
- It is preferable to be a "more equal" partner in a coalition of four, than a "little brother" in a Smer coalition where HZDS would have less of a say in matters.
- 16. (C) KDH's June 22 statement that the party would "not work with Meciar," is the obstacle. Jezovica hinted that SDKU "has a place to put Meciar" outside the government, but

BRATISLAVA 00000506 002.3 OF 002

said SDKU will not reveal it yet. SDKU was surprised by HZDS' intransigence when questions of Meciar stepping aside from his chairmanship were raised and exasperated by KDH's principled stance. Ironically, despite SDKU's hopes that the international community will declare Meciar's party "internationally acceptable," Jezovica said Dzurinda hopes that it does not happen too soon, as it would only strengthen Fico's willingness to court HZDS.

SMK AND KDH MAKE LIFE COMPLICATED FOR SMER

17. (C) The biggest developments of late -- and one that complicates life for Fico -- were June 22 statements from SMK that the party would not work with Smer unless joined by one of its other center-right partners and KDH announcing that it would not cooperate with Jan Slota in a coalition (thus, no Smer-KDH-SNS coalition). Fico thus seems left with two options: Smer-SMK-KDH, or the easier, less-acceptable (and, according to other parties, least likely to survive) Smer-SNS-HZDS

SNS REALISTIC, KNOWS IT ISN'T POPULAR

18. (C) SNS spokesman and newly-elected MP Rafael Rafaj told us June 22 that SNS does not believe it will be included in a Smer coalition because SNS' opponents have lobbied hard to Smer financiers against cooperation with Slota. Rafaj said this was fine with SNS; in fact, SNS would like SMK to be part of the governing coalition so a "Slovak party" could keep it under control. (COMMENT: Still swimming in self-confidence after its third-place finish, Rafaj told us he expects SNS to get 20 percent of the vote in the 2010 parliamentary elections, and asked us outright what, exactly, SNS could do to gain international acceptance. END COMMENT.)

COMMENT: ALL PARTIES AGREE: IT'S UP TO KDH

19. (C) While SDKU contacts and major media outlets describe KDH as "deeply divided," "in a mid-life crisis," and "faced with one of the most difficult dilemmas ever," the truth is that the party is taking its time in making a decision and holds all the cards. Klapacova told us that KDH's eastern party structures have send word to their party presidium that there is an eleventh commandment: Thou Shalt Not Work With Smer. SMK is waiting for them to make a decision; Jezovica said everyone in Bratislava seems to be sitting around waiting for Dzurinda to pull another coalition out of a hat. VALLEE